

VZCZCXRO4435
RR RUEHLMC RUEHVK
DE RUEHUM #0642/01 3170828
ZNR UUUUU ZZH
R 130828Z NOV 07
FM AMEMBASSY ULAANBAATAR
TO RUEHC/SECSTATE WASHDC 1647
INFO RUEHUL/AMEMBASSY SEOUL 3029
RUEHBJ/AMEMBASSY BEIJING 5848
RUEHMO/AMEMBASSY MOSCOW 1963
RUEHKO/AMEMBASSY TOKYO 2725
RUEHOT/AMEMBASSY OTTAWA 0539
RUEHML/AMEMBASSY MANILA 1523
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RUEHVK/AMCONSUL VLADIVOSTOK 0173
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RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC
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RHHMUNA/CDR USPACOM HONOLULU HI
RHMFIUU/COMMARFORPAC 0001
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UNCLAS SECTION 01 OF 06 ULAANBAATAR 000642

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E.O. 12958: N/A

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SUBJECT: Snapshot of Mongolia's North Central Selenge Province

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11. (SBU) SUMMARY: Mongolia's central northern Selenge aimag (province) hopes to develop mining, agricultural production and tourism. Selenge has generally good relations with its Russian neighbor, but the Russians remain bureaucratic and uncooperative in facilitating border crossing. During the DCM's November 1-2 visit, local politicians told him the province's two parties cooperate and accommodate, eschewing combative confrontation. While unemployment, education, medical care, and housing are all common concerns, women's groups leaders cited the need for continuing education opportunities, access to micro-finance, and business plan/grant writing skills. Peace Corps Volunteers working in education and health care are much appreciated, and as is the case virtually everywhere, more PCVs were requested. USAID-funded GER Initiative and Judicial Reform Project are making important contributions to small-scale business development and rule of law and governance through court automation, respectively. Many expressed interest in developing sister city or other relationships with U.S. professional organizations. The DCM also called on the 150th Battalion in Darkhan to express thanks for their participation in PKO. END SUMMARY.

Touching Bases in Selenge; PKO Stop

12. (U) DCM (then Charge) visited Sukhbaatar, the capital of Selenge aimag (province) November 1-2 He met with Selenge Aimag officials, met separately with ruling and opposition party leaders, visited the Russian/Mongolia border crossing point for vehicles and also observed the immigration and customs processing of an out-bound train, met with three women's groups' leaders, including one focused on violence against women, visited PCVs at their school and hospital work sites, held a press event with local media, and lunched with English language teachers and their star student. He also paid a brief call on the 150th Peacekeeping Operations Battalion in Darkhan enroute back to Ulaanbaatar on November 2. In his meetings, the DCM

highlighted the 20th anniversary of the establishment of diplomatic relations, noted the strength of the bilateral relationship as strong friends and allies, summarized the results of President Enkhbayar's trip to the U.S. including the signing of the Millennium Challenge Account Compact, and sought views on local issues and opportunities for bilateral cooperation.

Selenge Governor Pitches Mining, Agriculture, Tourism; Seeks US Investment, Contacts

13. (U) Selenge Governor Bayarmagnai said the aimag has 43,000 square kilometers and is comprised of 17 soums (counties) and 49 baggs (districts). Selenge is renowned as Mongolia's food basket, producing 57% of all agricultural crops including 40% of the nation's vegetables. The region's herds are not the largest but tend to be of much higher quality. In this regard, he said he would welcome the opportunity to cooperate with U.S. agricultural university or research institute. Mining in Selenge accounts for just over 50% of the country's gold and almost 100% of the iron ore production. Bayarmagnai hoped American firms would also consider investing in the mining sector, and the DCM noted a number of U.S. firms such as Peabody Energy had already expressed interest in working in Mongolia. In general, the aimag's infrastructure is good and it boasts a free trade zone (FTZ), though the zone has not been very active, the Governor said. He sought USG technical assistance in improving the FTZ and attracting U.S. firms.

14. (U) Governor Bayarmagnai also welcomed the prospect of increasing the numbers of Peace Corps Volunteers working in the aimag, sought increased

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opportunities for English language education exchanges, and hoped sister city or sister state programs could be pursued with similar geographic regions such as North or South Dakota, Wyoming, Montana, or Colorado. The DCM said the Embassy would look into whether Sukhbaatar might be added as a venue for visiting Embassy speakers as well as DVC/teleconferencing presentations and English language training programs. The Governor also lauded the USAID-funded GER Initiative and Judicial Reform Project which are making important contributions to small-scale business development and rule of law and governance through court automation, respectively.

Local Politics - Accommodation Not Confrontation

15. (U) Selenge's Citizen's Khural (parliament) and Mongolian People's Revolutionary Party (MPRP, the national ruling party and the much-changed successor to the former Communist Party) Chairman Mr. Javkhlan said the 35 member Khural is comprised of 21 MPRP members, 13 Democratic Party (DP) members and one independent. The MPRP has 15 of 17 soum governors and the DP has two. Javkhlan said the two parties cooperated and did not engage in acrimonious debate as happens at the national level. (COMMENT: This is a common refrain among aimag politicians that local politics focuses on accommodation as compared to Ulaanbaatar's propensity for confrontation.) Regarding the MPRP's prospects for next year's parliamentary elections, Javkhlan said he felt the party had "delivered" in the aimag and thus was poised to win again. He said the MPRP would have no problem fielding women candidates for 30% of the jobs.

16. (U) At the moment, the Khural is pondering its next four-year plan which will focus on developing family-run businesses and small and medium enterprises. He noted that a little progress had been made in recent years with some 3,000 families now engaged in small scale farming and vegetable production. Javkhlan complained that the aimag's taxes and contributions to the central government greatly exceeded what it got back in the way of investment. The khural was also looking at limiting hunting as some species were under pressure as well as logging for fear that the aimag's forests will be depleted in the near future. Democratic Party Defining Goals, Building for 2008

17. (SBU) Six local DP leaders told the DCM they had just completed a survey of families in the aimag's soums to determine how they might best formulate their 2008 election platform. Families were interested in improving educational opportunities, especially vocational education, and medical care. The DP also wants to move forward with mining development and supports the initiative for responsible and transparent mining. DP leaders visited the Boroo Gold Mine (a Canadian investment) in the aimag's southern region and were impressed with what they saw in terms of using local labor, environmental protection, and community stewardship. They hope for more investment in iron ore and coal as well as agricultural development and FTZ industrial development.

18. (SBU) Asked to assess the then on-going debate within the MPRP to dismiss Prime Minister Enkhbold (now a fact), DP leaders said this was the first time within the MPRP that there had been open and constructive criticism, something that had been common place in the DP for some time. The MPRP faced many criticisms, including growing corruption and a lack of progress in addressing other real problems such as employment, inflation, education, medical care, etc. The MPRP had used last year's budget surplus to buy votes, opting to provide subsidies to children, newly weds, etc. rather than invest in the country, one DP rep noted. (COMMENT: He conveniently forgot that it was actually initially a DP proposal commandeered by the

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MPRP, with the DP then engaging in and partially succeeding in a bidding war.) Asked whether selecting (soon-to-be PM) Bayar as the MPRP leader was significant, one DP leader said Bayar was an astute politician, noting the MPRP had won the elections when Bayar had hand-picked the MPRP's slate.

19. (U) DP reps asked for funding to support and train local candidates, especially to teach fund raising techniques. The DCM replied the USG could not engage in funding political parties, nor could it favor one party over another but must treat all equally. He said he would look into what training the USG had been provided to all parties and would ascertain whether training materials might be shared. DP reps also asked about how Congress handles its constituency work and the DCM offered to provide some background materials in this regard.

Local Media Reps Interested in Enkhbayar Trip, Corruption, MCC, Visit and Cooperation Prospects

110. (U) Local media reps were interested in President Enkhbayar's trip to the U.S. and the MCA Compact, as well as how the Compact's investments would be insulated from corruption. The DCM underscored the media's role as watchdog and urged that they "shine a bright light" on anything that smacks of corruption as well as bringing allegations to the attention of Mongolia's Anti-corruption Agency. Media reps were interested in any USG in-country training programs or visits to the U.S. for journalists as well as prospects for cooperation with U.S. media organizations and sister city counterparts, should such a relationship develop.

Border Forces Appreciate Cooperation with U.S.

111. (SBU) During an office call on local Border Forces Commander Batsukh, Batsukh said he appreciated U.S.-Mongolian military-to-military cooperation, continued contact with the Embassy's Defense Attache Office, and the USG's provision of radio systems for the Border Forces. He noted that four of his soldiers had completed tours in Iraq and all spoke very highly of their contacts with American forces. He said 60% of his troops are professionals and the remainder were one-year conscripts. Batsukh said his unit is comprised of seven larger units, three subunits and 17 smaller units responsible for covering the 421 kilometer border with Russia. Cooperation with the Russians was generally good and the two sides take the lead in monitoring and enforcing different segments of the border. Unlike Mongolia's western border areas, where Batsukh had recently served, violations in Selenge were few in

number, averaging around 14-15 events involving about 20 persons total per year, and were largely benign, not involving weapons nor exchanges of fire.

Russians Uncooperative at Border Crossing Point

¶12. (SBU) At the Altanbulag border crossing point 25 kilometers east of Sukhbaatar, the DCM observed a well-organized operation and modern facilities designed to process 500 vehicles and 2,000 people per day but which was actually only handling about 70-100 cars and trucks and 200-300 people daily. About 40 vehicles were backed up on the Mongolian side and there was no observable activity on the Russian side. Border Forces LTC Altankhuu complained there was no reason for the Russians to "go slow" and not process the waiting vehicles and passengers, adding that this was a common practice. While the Mongolians conducted routine spot checks of luggage and cargos, the Russians tended to look at "absolutely everything," forcing Mongolians to empty and repack suitcases and often pay large "customs fines" for exceeding limits on imports into Russia.

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Altankhuu attributed this to Russian bureaucratic mentality and Putin's aggressiveness. National and local governor talks had not improved conditions, he said. Altankhuu made one soft pitch for more computers at this check point to help speed processing. (COMMENT: This border crossing area is reminiscent of Berlin of old, with thickets of barbed wire, watchtowers, and a raked "no man's land" between their fences - as if anyone would defect in either direction.)

Train Crossing Also Slow on the Russian Side

¶13. (SBU) During the evening of November 1 the DCM watched border forces process an outbound Chinese train that originated in Beijing about to cross into Russia enroute to Moscow. Once the passenger cars had been separated from the locomotive (Russian, Chinese and Mongolian locomotives are used in their own territories; ridership follows suite - more Russians on Russian trains, etc.), Border Forces cordon off the cars and immigration processing begins. LTC Altankhuu said the numbers of passengers vary from lows of 70 to 100 in the winter months to 300 to 400 during the summer travel season, with six international trains being processed daily. Processing typically takes 20 to 30 minutes in the winter and 30 to 50 minutes in the summer. DCM watched as about 40 passports were processed that evening, including a few German, Russian, and two U.S. passports, the rest being Chinese. Altankhuu said the train then proceeds to the neighboring Russian border point to undergo Russian processing, which can run anywhere from two to several hours. (COMMENT: Indeed former Ambassador Slutz spent several hours stuck on the Russian side.)

Violence Against Women: Shelter an Important Step

¶14. (SBU) Ms. Gereltuya, the head of a local violence against women NGO, guided the DCM on a tour of a newly established women's shelter, the only one in the region and one of Mongolia's first shelters. She said the shelter currently accommodated two women and their four children. Over the past year, 123 cases of violence against women had been reported and referred to this NGO. Except for two rape cases, the remainder involved family violence across the full spectrum of education and income levels; almost all involved alcohol. She estimated only one in six cases are reported in part because of how such cases are handled. Should a woman call the police, the police would come, investigate, and take the husband/boyfriend to the police station to spend the night, but then the wife/girlfriend would have to bail the perpetrator out the next day, often resulting in more anger and greater expense. The local police were cooperating and, despite some additional training, had yet to modify their interview techniques from treating victims as criminals rather than victims. She hopes to expand training programs for victims to give women alternatives.

Trafficking In Persons Not a Problem - Yet

¶15. (SBU) Ms. Gereltuya and the leaders of two other women's group told the DCM over dinner November 1 that trafficking in persons (TIP) did not appear to be a serious problem in the aimag. There were no known cases in recent years, but they were aware that there might be TIP problem associated with the border crossing points of people being trafficked to/from China and Russia. Ms. Gereltuya said Border Forces and local police officials had been very cooperative and receptive to training programs designed to help them spot TIP.

Women's Worries: Continuing Education, Micro-finance, Business Plan/Grant Writing

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¶16. (U) Regarding other women's issues, the three women's groups leaders complained about the lack of adult continuing education. Once women had completed university training in Ulaanbaatar or nearby Darkhan, there were few opportunities to upgrade or update their educations. In turn, this meant the aimag would lag further and further behind in embracing new technologies and techniques. This also encouraged further "brain drain" as the better performers moved to UB for better opportunities, salaries, etc. The women also emphasized the importance of expanding access to micro-finance to enable women to start up businesses, and they noted women rarely had access to collateral needed to gain such loans. The leaders also noted the need for additional training, especially in the countryside, to develop business plans and write grant requests.

Hospital's Concerns and Desires

¶17. (U) Dr. Jigjidsuren told the DCM that the Sukhbaatar hospital faced a number of challenges and problems. The hospital did not have enough doctors and those it did have tended to be elderly physicians training many years ago in the Soviet Union. It was difficult to attract and retain new doctors. The hospital's limited facilities and range of treatments contributed to this dearth of new doctors, who tended to leave once they'd mastered these, and encourages patients to seek treatment in UB, Russia or China. Often there are few or no backups when a staff member is sent elsewhere for training. The hospital itself was old and suffered from many shortcomings such as a leaky roof, cold in the winter, etc. Dr. Jigjidsuren was interested in information on the MCA Compact's medical project, distance learning, distance diagnostics, and possible hospital-to-hospital connections via the sister city program. He is also interested in public private partnerships with U.S. firms. (COMMENT: While Dr. Jigjidsuren has focused on his hospital's shortcomings, DCM noted that this hospital appeared well-organized, cleaner than most, and the staff moved with energy and purpose. A tour of the hospital with PCV Julie White revealed a number of innovations, including a playroom/waiting room for tots and an exercise, physical therapy room, for example.)

English Language Learning Challenges

¶16. (U) During a visit to PCV Jessica Pic's high school English language class, the DCM learned that the school's teachers had only recently shifted from teaching Russian to English. The school is now rejiggering its English language program and developing additional resources. All are deeply grateful for the contributions made by PCV Pic and they seek additional PCVs as well as training for their teachers and equipment and materials.

PKO Battalion Visited, Thanked

¶17. (U) Enroute back to UB on November 2, the DCM paid a brief call on the 150th PKO Battalion in Darkhan. After meeting with the unit's commander, Colonel Bayarmagnai (an Iraq veteran), the DCM addressed a small gathering of about 15 soldiers, members of an English language training program, while the rest of the unit's 350

soldiers (the unit is at half-strength) were out on a 30 kilometer field march. Among the 15 soldiers were two that had served in Iraq (one did two tours), four that had served in Afghanistan, and several that had just returned from a UN mission in Sierra Leone. The DCM thanked them for their service to peace, freedom for the Iraqi and Afghani people, and for being strong friends and allies. Colonel Bayarmagnai, MARFORPAC embedded Marine trainers, and the DCM visited the Marines' local civic action project, a jointly-built

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basketball court funded by the Marines. The court was in use even with snow on the ground and temperatures hovering at the freezing mark.
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